

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

AUTOMATED BUSINESS COMPANIES,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CIVIL ACTION NO. H-06-1032
	§	
	§	JUDGE SIM LAKE
WEBEX COMMUNICATIONS, INC.,	§	
	§	
Defendant.	§	JURY TRIAL DEMANDED

**PLAINTIFF ABC'S ANSWER TO DEFENDANT
WEBEX COMMUNICATIONS, INC.'S COUNTERCLAIMS**

Plaintiff Automated Business Companies ("ABC") answers Defendant WebEx Communications, Inc.'s ("Defendant" or "WebEx") counterclaims:

General Denial

Pursuant to FED. R. CIV. P. 8(b), Plaintiff denies all averments related to the affirmative defenses and counterclaims of Defendant, except as specifically admitted below.

Specific Denials and Responses

Paragraphs 1-14 below correspond to the paragraphs of Defendant's counterclaims, which incorporate in paragraph 12, the allegations contained in paragraphs 7.1.13 to 7.1.76 of Defendant's affirmative defenses.

1. No response is required to paragraph 1, but ABC denies that Defendant has valid counterclaims.

2. WebEx does not indicate what specific allegations from its Answer and Affirmative Defenses that it is incorporating into its counterclaims. WebEx's incorporation of its legal arguments from its affirmative defenses does not require a response. To the extent that

WebEx is attempting to incorporate invalidity contentions, such allegations or claims by WebEx violate the Court's Order of September 6, 2006. WebEx is seeking to improperly interject and enjoy backdoor reliance on prior art that it neither submitted to the USPTO in the reexaminations nor has obtained leave of Court to rely upon after satisfying the requirements of Paragraph 3 of the September 6, 2006 Order. The invalidity contentions should be struck to the extent they include or rely upon such prior art, and this portion of WebEx's Answer and Counterclaims should also be struck. ABC will address below the specific paragraphs incorporated in paragraph 12 of the counterclaims. To the extent that WebEx is incorporating any other factual allegations, ABC denies those allegations.

3. ABC admits that WebEx is a Delaware corporation.

4. ABC admits that it is a Texas corporation.

5. ABC admits that Defendant asserts declaratory judgment counterclaims, but denies that the Court should exercise its discretion to hear Defendant's declaratory judgment counterclaims. ABC further denies the validity of such counterclaims. ABC admits that the Court has general subject matter jurisdiction, but again denies that the Court should exercise its discretion to hear Defendant's counterclaims.

6. ABC admits that a controversy exists between the parties, but again denies that the Court should exercise its discretion to hear Defendant's declaratory judgment counterclaims. By example, Defendant's "counterclaims" are duplicative of Defendant's thirteenth affirmative defense.

7. ABC admits that venue is proper, but denies that the Court should exercise its discretion to hear Defendant's declaratory judgment counterclaims.

8. The statement of incorporation does not require an admission or denial. ABC incorporates its responses to paragraphs 1-7.

9. ABC admits that Defendant asserts declaratory judgment counterclaims, but denies that the Court should exercise its discretion to hear Defendant's declaratory judgment counterclaims. ABC further denies the validity of such counterclaims.

10. ABC admits that Defendant has infringed directly, by inducing or contributing to the infringement, and/or infringing by equivalents, claim 16 of the '253 Patent, claims 3-5 of the '945 Patent, and claims 1 and 2 of the '943 Patent. ABC further admits that such infringement has been willful, and that ABC has been and will be damaged.

11. ABC denies that Defendant has not infringed, not contributed to infringement, or not induced others to infringe the patents-in-suit. ABC denies that the patents-in-suit are invalid.

12. ABC denies that the patents-in-suit are unenforceable or that there was inequitable conduct of applicant or the patent attorneys and/or others substantively involved in prosecution before the United States Patent Office. ABC will respond specifically to the paragraphs incorporated by Defendant:

7.1.13 ABC denies the allegations and further submits that the applicant and/or his patent attorneys have operated in good faith, made efforts to keep the Examiners informed of information obtained in related cases by filing multiple information disclosure statements in the '253, '943 and '945 Patent Applications, cross-citing office actions during the original prosecution and the reexamination, specifically identifying certain relevant references and passages within cited documents, offering to submit arguments of Defendant to the United States Patent Office during reexamination, and have not intentionally deceived or even attempted to intentionally deceive the United States Patent and Trademark Office.

7.1.14 ABC admits that it filed an application on September 30, 1999 that ultimately issued as the '945 Patent; that it filed an application on September 30, 1999 which was assigned Serial Number 09/408,859; that on September 23, 2002, it filed another application that ultimately issued as the '943 Patent; that Serial Number 09/408,859 did claim priority to the '743 Patent but the original application that ultimately became the '945 Patent did not initially claim priority to the '743 Patent; that eventually it was determined that the application that became the '945 Patent could claim priority to the '743 Patent and eventually the '945 Patent did claim priority, at least in part, to the '743 Patent and also claimed priority to a provisional patent application filed on October 1, 1998.

7.1.15 ABC can neither admit nor deny for lack of knowledge how a particular patent application is assigned to a particular Art Unit. ABC admits that the application that ultimately became the '945 patent was assigned to Art Unit 3621 and that the application that ultimately became the '943 Patent as well as the Application Serial Number 09/408,859 were assigned to Art Unit 2157. Although a number of documents in the prosecution history identify Christine Sherr as one of the Examiners, the '945 Patent reflects on its face that the Primary Patent Examiner was James P. Trammell and the Assistant Examiner on the '945 Patent was Christine Sherr. ABC admits that the Patent Examiner for the '943 Patent was Saleh Najjar.

7.1.16 ABC admits that by September 23, 2002, ABC had received Office Actions in both the '945 and '859 Patent Applications. When ABC responded to the Office Action for the '945 Patent Application, it disclosed to the '945 Patent Examiner that the Examiner in the '859 Patent Application (Examiner Najjar) had rejected the claims of the '859 Patent Application. ABC disclosed this information because it thought the '945 Patent

Examiner might consider Examiner Najjar's rejection of the '859 Application important to the patentability of the '945 Patent Application. The Examiner for the '945 Patent Application had made a rejection of claims 1-17 under 35 U.S.C. § 101 based on double patenting of the same invention in view of the '859 Patent Application. In response, ABC submitted that it would abandon the co-pending '859 patent application so that two separate patents would not issue with the same claims. The balance of the allegations are denied.

7.1.17 ABC admits that in some instances it added or changed claims to more specifically cover what people in the industry were doing in terms of Mr. Freeny's technology. However, such amendments were made in good faith and because such claims were believed to be warranted and proper under the scope of the disclosures of the patents at issue. Otherwise, denied.

7.1.18 As of June 23, 2004, ABC was aware of Citrix's remote control product, ABC denies that it was aware of WebEx's "PCNow" product when it initially filed its patent applications and through the issuance of the '253 Patent. Otherwise, denied.

7.1.19 Admitted; however, the '945 Patent Application specification included the concept of a website.

7.1.20 Admitted.

7.1.21 ABC admits that Mr. Marc Brockhaus worked on the three patents-in-suit. Mr. Marc Brockhaus, Mr. Charles A. Codding, and Mr. Charles C. Freeny, Jr. wrote the patents-in-suit. ABC admits that Mr. Marc A Brockhaus is the person generally most knowledgeable about the original prosecution of these cases. Otherwise, denied.

7.1.22 ABC admits that at the time the priority claim in the '945 Patent Application to the '743 Parent Patent was made, it was believed in good faith that claim 22

that was being introduced and which included the term “website” may have been entitled to the priority of the filing date of the ‘743 Patent. Otherwise, denied.

7.1.23 ABC argued to the Patent Office in its July 6, 2004 Amendment that “the inventive concept of claims 22-29 thus provides methods and apparatus for providing a service that is not believed to have been obvious in the 1997-1998 time frame in which the invention was made.” Otherwise, denied.

7.1.24 Admitted; however, the ‘945 Patent Application specification included the concept of a website.

7.1.25 Admitted that Defendant quotes in part the Examiner’s statement. ABC denies that the specification of the ‘943 Patent Application did not adequately disclose or enable the invention.

7.1.26 ABC admits that it responded to Examiner Najjar’s rejection of claims 45-47 by specifically stating that “[a]lthough Applicant’s attorney respectfully disagrees with the rejections of claims 45-47 under 35 USC § 112, first paragraph, as being non-enabling, the Examiner’s comments are appreciated. It is believed that claims 45-47 are enabled in accordance with 35 USC § 112, first paragraph. However, in an effort to expedite the allowance of claims 46 and 47, claim 45 has been cancelled and claims 46 and 47 have been amended to remove the term “website” from such claims.” ABC also provided a Supplemental Information Disclosure Statement to Examiner Najjar (the ‘943 Examiner) including information provided from a sister case, and also mentioned that “[c]laims 22-29 in the sister case are currently rejected in view of U.S. Patent No. 6,233,608 issued to Laursen.” Otherwise, denied.

7.1.27 ABC admits that the Manual of Patent Examining Procedures is provided by the Patent Office and serves as a guide for examination of patents, that Defendant quotes a portion of that manual, and that Mr. Brockhaus was aware of this section of the manual as of January 2005.

7.1.28 ABC admits that on January 5, 2005, Mr. Brockhaus disclosed Examiner Sherr's rejection from the '945 Patent Application to Examiner Najjar in the '943 Patent Application at least in part because Mr. Brockhaus believed that claims 22-29 in the '945 Patent Application were similar to claims 46 and 47 in the '943 Patent Application. Mr. Brockhaus believed at that time that Examiner Najjar might find Examiner Sherr's rejection of claims 22-29 in the '945 Patent Application important to know relative to the patentability of claims 46 and 47 in the '943 Patent Application. Otherwise, denied.

7.1.29 ABC admits that Mr. Brockhaus disclosed the rejection from the '945 Patent Application to Examiner Najjar in the '943 Patent Application at least in part in view of his duty of candor to the Patent Office. Otherwise, denied.

7.1.30 ABC admits that on April 20, 2005, ABC filed its Response to Examiner Sherr's October 20, 2004 claim rejections in the '945 Patent Application and admits that the response filed on April 20, 2005 cancelled the rejected claims 22-25 that included the term "website" and added new claims 30-34 to eliminate the underlining and strike-out marks which would be necessary if claims 22-25 were amended. ABC also admits that in the response filed April 20, 2005, it stated "Thus, it is believed that submitting new claims 30-34 will improve the readability of such claims." Otherwise, denied.

7.1.31 ABC admits that even though the Examiner in the '945 Patent Application did not require the filing of a terminal disclaimer, the response filed by ABC on April 20,

2005 included a terminal disclaimer specifically identifying the '743 Patent, the '253 Patent and the '943 Patent Applications. Otherwise, denied.

7.1.32 Admitted.

7.1.33 Admitted

7.1.34 ABC admits that a Fifth Supplemental Information Disclosure Statement was also submitted to the Patent Office on April 20, 2005 with the Response to the October 20, 2004 Office Action. ABC also admits that the Fifth Supplemental Information Disclosure Statement included 36 references and that Mr. Brockhaus directed the Examiner's attention to an article entitled "Global Teleporting with Java: Toward Ubiquitous Personalized Computing", IEEE, February 1997, pgs. 53-59 which is the only reference that the Defendant, WebEx, specifically identified in its First Amended Answer as invalidating the claims of the '945 Patent under 35 USC §§ 102 and 103. Otherwise, denied.

7.1.35 ABC admits that ABC did not supply a copy of the '943 rejection to the Examiner in the '945 Patent Application, but ABC did disclose the existence of the '943 Patent Application to the Examiner in the '945 Patent Application prior to the issuance of the '945 Patent. Otherwise, denied.

7.1.36 ABC admits that ABC did not supply a copy of the '943 rejection to the Examiner in the '945 Patent Application or during reexamination, but ABC did disclose the existence of the '943 Patent Application to the Examiner in the '945 Patent Application prior to the issuance of the '945 Patent.

7.1.37 Admitted that Defendant WebEx has selectively quoted a portion of Mr. Brockhaus' testimony, but Mr. Brockhaus also testified in the same exchange that it did not occur to him to disclose the rejection of the claims in the '943 Patent Application to the '945

Patent Examiner and that the specification of the '943 Patent Application and the specification of the '945 Patent Application are different. The applicant and its agents acted in good faith in all regards to the prosecution of all the patents in suit.

7.1.38 Mr. Brockhaus may have had general discussions with others about whether he should cross-cite one Freeny patent application to another Freeny patent application; however, Mr. Brockhaus does not recall any discussion regarding whether to cross-cite the rejection of the claims in the '943 Patent Application to the '945 Patent Examiner.

7.1.39 Mr. Brockhaus agrees that Examiner Sherr might have been helped in determining whether certain claims in the '945 Patent are entitled to the priority date of the '743 Patent if the rejections that Examiner Najjar had made in the '943 Patent application were provided to the Examiner in the '945 Patent Application. Otherwise, denied.

7.1.40 Admitted.

7.1.41 Admitted.

7.1.42 Denied.

7.1.43 Denied.

7.1.44 Denied.

7.1.45 ABC admits that ABC's attorneys were contemporaneously working on both the '943 Patent Application and the '945 Patent Application, and that ABC's attorneys understood their duty to disclose material information. There was no intent to not disclose material information to the Examiner in the '945 Patent Application, as Mr. Brockhaus has testified. Otherwise, denied.

7.1.46 Admitted.

7.1.47 Admitted.

7.1.48 Admitted.

7.1.49 The Canadian Patent Office Examiner stated that the subject matter of claims 18-22, as amended by applicant's correspondence received June 20, 2006, did not comply with section 38.2 of the Canadian Patent Act because it is not reasonably to be inferred from the specification or drawings as originally filed. The Examiner stated that there is no mention of operating a website by supplying a valid logon command from a remote computer or receiving and sending data instructions from and to the website in the originally filed specification. The Examiner also stated that, in view of the above, a search of the prior art and examination have been limited to the subject matter in claims 1-17. Otherwise, denied.

7.1.50 On August 15, 2007, ABC responded to the Canadian Patent Office's allegation that the subject matter of claims 18-22 did not comply with section 38.2 of the Canadian Patent Act by pointing to language, including the terms "web browsers" and "internet" in the specification, that supported the claim term "website" in compliance with section 38.2 of the Canadian Patent Act. Otherwise, denied.

7.1.51 ABC admits that Defendant has cited a portion of the Canadian Patent Office response, but ABC denies the correctness of the Canadian Examiner's understanding, evaluation or opinion regarding the Canadian Application.

7.1.52 Admitted.

7.1.53 ABC admits that Defendant has selectively quoted in part an office action; however, ABC denies that this quote is correctly put in context, where the Examiner was

discussing the scope that would be applied to the term “website,” and not evaluating section 112 issues. Otherwise, denied.

7.1.54 Admitted.

7.1.55 Admitted.

7.1.56 Admitted.

7.1.57 ABC admits that during the reexamination of the ‘945 Patent, ABC submitted a sworn declaration of Dr. Alan Jones, Ph.D. ABC denies that ABC adopted Dr. Jones’ declaration as support for its argument that prior art disclosing a “web browser using hot links” failed to disclose ABC’s claimed “website.” ABC adopted Dr. Jones’ declaration as support for its argument that “the pcANYWHERE system as discussed in the User’s Guide, but does not provide for ‘operating a website capable of allowing and facilitating communication’ and/or ‘receiving, by the website, a valid logon command from the interface unit whereby the website associates the value logon commands with the remote computer unit,’ as recited in claim 1.” ABC admits that Defendant quotes paragraph 8 of Dr. Jones affidavit. Otherwise, denied.

7.1.58 From the allegation, ABC cannot determine to which statement WebEx is referring, and therefore denies the allegation. ABC admits that Defendant partially quotes, out of context, ABC’s September 8, 2008 Amendment/Remarks after Examiner’s Report for the Canadian ‘772 Application. Otherwise, denied.

7.1.59 Admitted.

7.1.60 Admitted.

7.1.61 ABC denies that it intentionally withheld from the USPTO material information concerning the Canadian Patent Application Serial No. 2,385,772.

7.1.62 ABC denies that there was a duty to submit the Canadian Patent Office Action to the Examiner in the USPTO or ABC's response thereto because the duty of candor requires material references identified in foreign prosecution to be cited to the USPTO; but the other details of foreign prosecution are not an additional category of material information. Moreover, the Canadian Patent Office Action was not material because the legal standards are or may be different. ABC also denies that there was wrongful intent in not providing the Canadian Patent Office Action or ABC's response to the attention of the United States Patent and Trademark Office. Further, ABC asserts that Defendant is taking isolated statements within Dr. Jones' affidavit out of context and ignoring statements within the same affidavit, *e.g.* paragraphs 5 and 8, that are consistent with the arguments made in the Canadian Patent Office.

7.1.63 Denied.

7.1.64 ABC denies that Defendant correctly recites the date of the letter sent by the sole inventor, Mr. Freeny, who was terminally ill with liver cancer and was undergoing treatment for the cancer when he prepared the letter.

7.1.65 ABC admits that Mr. Freeny's letter provided instructions for adding different combinations of his sons as inventors to different patents and pending patent applications, and also admits that Mr. Freeny's letter provided instructions for adding the same combination of his sons as inventors to the patents-in-suit. Otherwise, denied.

7.1.66 ABC admits that in August of 2002 Skip Coddig was a named partner of "Dunlap, Coddig and Rogers, P.C.," and that Mr. Coddig was more experienced at determining inventorship than Mr. Brockhaus. ABC also admits that as a result of initial

discussions between Mr. Coddington and Mr. Freeny, Mr. Coddington instructed Mr. Brockhaus to prepare papers to change the named inventors on the various patents. Otherwise, denied.

7.1.67 Between August 2002 and January 2003, Mr. Brockhaus prepared paperwork to change the named inventors set forth in Mr. Freeny's August 22, 2002 letter, including an assignment of rights from Mr. Freeny's sons to ABC for the patents-in-suit, declarations by Mr. Freeny and his sons, and a petition to the United States Patent Office to change the inventorship on the patents-in-suit. ABC admits that Mr. Freeny and his sons signed all of this paperwork, including the assignment of rights in the patents-in-suit. Otherwise, denied.

7.1.68 ABC admits that it has diligently searched for, but has not located, any of the signed documents related to the requested change of inventorship for the Freeny Patents. Otherwise, denied.

7.1.69 ABC admits that Mr. Brockhaus was aware of the law related to prior art and inventorship, but denies that this was a consideration in identifying Mr. Freeny as the sole inventor of the Freeny Patents. Otherwise, denied.

7.1.70 ABC denies that there was any wrongful intent in not informing the United States Patent Office that Mr. Freeny had requested changes to the identifications of inventors on the patents-in-suit and other Freeny Patents.

7.1.71 ABC admits that Mr. Brockhaus recalls thereafter discussing the inventive concepts and the patent applications with Mr. Freeny's sons, and that Mr. Brockhaus did not go through the patents line-by-line with Mr. Freeny's sons. Otherwise, denied.

7.1.72 ABC admits that Mr. Brockhaus never discussed with Mr. Freeny what he believed his sons had contributed; Mr. Codding was discussing these matters with Mr. Freeny.

7.1.73 ABC is without information as to whether Mr. Freeny had spoken to someone other than Mr. Codding regarding what Mr. Freeny believed his sons had contributed to each invention. ABC admits that after initial conversations with Mr. Freeny, Mr. Codding had instructed preparation of the paperwork to change inventorship. However, based upon subsequent conversations and information from both Mr. Freeny and his sons, Dunlap Codding determined that Mr. Freeny was the sole inventor.

7.1.74 Denied.

7.1.75 ABC admits that MPEP §2001.04 states information regarding inventorship conflicts may be material, but denies that Mr. Freeny's statements regarding the inventorship of the Freeny patents is material information that should have been provided to the United States Patent Office. There was never an inventorship conflict, it was determined that the Freeny sons were not co-inventors, and the Freeny sons do not claim to be co-inventors. Otherwise, denied.

7.1.76 ABC denies that Charles Freeny, Jr. is not the sole inventor of the patents-in-suit, and also denies that there was any intent to deceive the USPTO of the inventorship of the patents-in-suit by those substantively involved in the prosecution of the patents-in-suit.

13. ABC admits that a controversy exists between the parties, but again denies that the Court should exercise its discretion to hear Defendant's declaratory judgment counterclaims.

14. ABC admits that Defendant has requested a declaratory judgment, but again denies that the Court should exercise its discretion to hear Defendant's declaratory judgment counterclaims.

ABC denies the Defendant's Prayer for Relief.

Affirmative Defenses to Counterclaims

15. The counterclaims fail to state a claim on which relief can be granted.

16. The counterclaims should be dismissed as unnecessary and duplicative of Defendant's affirmative defenses.

17. The Plaintiff and agents, at all times, acted in good faith in the prosecution of the patents-in-suit.

Jury Demand

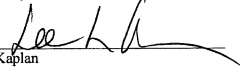
A trial by jury is demanded.

Conclusion

For these reasons, Plaintiff respectfully requests that the Court:

- (a) grant such relief as requested in Plaintiff's live Complaint, and
- (b) order that Defendant takes nothing on its defenses or counterclaims.

Respectfully submitted,



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Attorneys for Plaintiff
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing instrument has been forwarded to all counsel of record pursuant to Federal Rules of Civil Procedure on this the 28th day of July, 2009.



Lee L. Kaplan